

## **Top Reporting Issues for Counties Financial Transactions Report**

1. Major variances require footnotes. If there is an overall reporting change, add an explanation in the Comments form. Invalid footnotes will be questioned by staff upon review of Financial Transactions Report (FTR). Simply noting “Correct,” “Confirmed OK,” “Unaudited Numbers,” or “Preliminary Number” is not acceptable. Indicate what caused the variance (i.e., New AB 1234 law enforcement grant).
2. Prepare a separate form for each internal service fund.
3. If you enter your own enterprise name on the Other Enterprise form, do not use “Other” as an enterprise fund name.
4. Report revenues by fund.
5. The Vehicle License Fee (VLF) and Sales Tax Realignments each have four different allocations: Social Services (SS), Public Safety (PS), Mental Health (MH), and Health Services (HS).
  - VLF: Combine all VLF realignment revenues for SS, PS, MH, and HS, and report the total in the Realignment from VLF field.
  - Sales Tax: Report Sales Tax SS, PS, MH, and HS realignment revenues separately in their respective fields.
6. The “Other” fields on the revenue and expenditure forms are for items that do not apply to a hard-coded field elsewhere on the form. Review all of the fields on the forms before reporting an item as “Other,” and provide a footnote.
7. Transfers In/Out between funds other than Governmental or Enterprise should include transfers to/from Trust Funds and Internal Service Funds only. If transfers from Trust Funds include money that has never been recognized as revenue, report the money by the original revenue source. For example, if VLF Realignment goes directly into a Trust Fund upon receipt, report these funds as State, VLF Realignment, when they are transferred from Trust.
8. All debt reported must have Principal and Interest (P&I) payments. If there are no payments, provided a footnote to explain why there are no current year payments.
  - Long-Term Debt form
    - Any Certificates of Participation or Lease Revenue Bonds that involve a Joint Power Authority, Public Financing Authority/Corporation, etc., should be reported as a Capital Lease on the Lease Obligations form.
  - Other Long-Term Debt
    - Liability type debts that have no P&I payments (e.g., Compensated Absences and Landfill Liabilities) as well as inter-fund loans (i.e., General Fund loan to Enterprise) should have Adjustments to show the current year increase/decrease.
    - Report construction-related State or Federal loans on the Construction Financing form.

- Lease Obligations
    - The Initial Debt Obligation amount should include principal and interest
    - Report short-term capital leases (more than one year but less than 10 years, e.g., copiers, vehicles, etc.) on the Other Long-Term Debt form as “Other” debt type.
9. We cannot grant extensions. If you are unable to submit your report on time, please contact the Local Government Reporting Section at [LGRsupport@sco.ca.gov](mailto:LGRsupport@sco.ca.gov) or (916) 322 9672 for other options. You must submit the signed Cover Page and the U.S. Bureau of the Census form by mail to satisfy filing requirements.
10. Send two copies of your budget to the State Controller’s Office. One to the attention of Wendy Dear (see alert letter, page 2 for address) and the other to the Cost Plans Unit. To meet the Budget filing deadline, submit an unbound copy or an electronic version when the figures are final. Provide a final, bound hardcopy when available.